



UP-COMING EVENTS

- Second Roundtable for a Sustainable Cocoa Economy, Port-of-Spain, Trinidad & Tobago, 24 – 27 March 2009

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Do your health a favour, drink Cocoa everyday
'it's nature's miracle food'

In the News (from Newspapers worldwide)

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ICCO Daily Cocoa Prices

	ICCO daily price (SDR/tonne)	ICCO daily price (\$US/tonne)	London futures (£/tonne)	New York futures (\$US/tonne)
2 nd March	1552.92	2276.23	1679.67	2200.33
3 rd March	1598.97	2339.15	1724.00	2258.67
4 th March	1654.71	2412.52	1756.67	2339.00
5 th March	1601.28	2337.65	1714.00	2253.67
6 th March	1593.42	2341.95	1711.00	2269.33
Average	1600.00	2342.00	1717.00	2264.00

International Financial Futures and Options Exchange (LIFFE)
London Futures Market – Summary of Trading Activities
(£ per tonne)

Monday 2nd March 2009

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Mar 2009	1834	1765	-79	1834	1764	6,259
May 2009	1785	1713	-90	1790S	1712	8,181
Jul 2009	1750	1670	-94	1754	1670	1,439
Sep 2009	1737	1656	-90	1737	1656	377
Dec 2009	1684	1626	-80	1684	1623	480
Mar 2010	1650	1605	-71	1657	1602	428
May 2010		1605	-71			0
Jul 2010		1613	-71			0
Sep 2010		1617	-71			0
Dec 2010		1608	-71			0
Average/Totals		1648				17,164

Tuesday 3rd March 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2009	1775	1806	41	1807	1765	1,549
May 2009	1712	1758	45	1766	1712	4,445
Jul 2009	1672	1718	48	1723	1670	930
Sep 2009	1660	1696	40	1699	1660	256
Dec 2009	1629	1663	37	1664	1629	230
Mar 2010	1619	1642	37	1619	1619	1
May 2010	1630	1642	37	1630	1630	1
Jul 2010		1650	37			0
Sep 2010		1654	37			0
Dec 2010		1645	37			0
Average/Totals		1687				7,412

Wednesday 4th March 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2009	1806	1846	40	1862	1793	1,663
May 2009	1759	1797	39	1814	1744	5,284
Jul 2009	1721	1749	31	1764	1703S	1,350
Sep 2009	1700	1724	28	1730	1684	371
Dec 2009	1665	1689	26	1692	1650	217
Mar 2010	1649	1659	17	1668	1632	59
May 2010		1659	17			0
Jul 2010		1667	17			0
Sep 2010		1671	17			0
Dec 2010		1662	17			0
Average/Totals		1712				8,944

Thursday 5th March 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2009	1827	1823	-23	1845	1821	2,760
May 2009	1790	1756	-41	1801	1752	4,754
Jul 2009	1745	1706	-43	1745	1704	830
Sep 2009	1713	1680	-44	1713	1679	768
Dec 2009	1675	1645	-44	1678	1645	182
Mar 2010		1621	-38			0
May 2010		1621	-38			0
Jul 2010		1629	-38			0
Sep 2010		1633	-38			0
Dec 2010		1624	-38			0
Average/Totals		1674				9,294

Friday 6th March 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2009	1801	1819	-4	1821S	1779	2,728
May 2009	1741	1755	-1	1760	1713	5,782
Jul 2009	1700	1703	-3	1707S	1674S	1,415
Sep 2009	1669	1675	-5	1671	1650	309
Dec 2009	1640	1644	-1	1647S	1625	553
Mar 2010	1619	1621	0	1619	1605	38
May 2010	1621	1621	0	1621	1611	16
Jul 2010		1629	0			0
Sep 2010		1633	0			0
Dec 2010		1624	0			0
Average/Totals		1672				10841

Average for the week	1672				10731
					53,655

New York Board of Trade
(New York Futures Market – Summary of Trading Activities)
(US\$ per tonne)

Monday 2nd March 2009

Month	Open	Price	Change	High	Low	Volume
Mar 2009	2486	2288	-220	2486	2280	N/A
May 2009	2374	2213	-200	2378	2198	N/A
Jul 2009	2326	2192	-211	2339	2175	N/A
Sep 2009	2318	2190	-202	2330	2173	N/A
Dec 2009	2303	2183	-198	2311	2177	N/A
Mar 2010	2305	2169	-200	2305	2171	N/A
May 2010	0	2170	-202	0	0	N/A
Jul 2010	0	2181	-200	0	0	N/A
Sep 2010	0	2181	-204	0	0	N/A
Dec 2010	2285	2193	-192	2285	2285	N/A
Average/Totals		2196				0

Tuesday 3rd March 2009

Month	Open	Price	Change	High	Low	Volume
Mar 2009	2365	2305	17	2365	2355	9
May 2009	2229	2282	69	2298	2224	12674
Jul 2009	2212	2272	80	2280	2212	3825
Sep 2009	2210	2270	80	2279	2210	892
Dec 2009	2228	2264	81	2271	2226	916
Mar 2010	2232	2255	86	2263	2232	625
May 2010	2263	2256	86	2263	2256	
Jul 2010	0	2265	84	0	0	
Sep 2010	0	2264	83	0	0	
Dec 2010	0	2276	83	0	0	1
Average/Totals		2271				18942

Wednesday 4th March 2009

Month	Open	Price	Change	High	Low	Volume
Mar 2009	2297	2345	40	2330	2297	11
May 2009	2282	2338	56	2360	2271	6227
Jul 2009	2287	2329	57	2343	2262	1349
Sep 2009	2288	2328	58	2340	2259	562
Dec 2009	2280	2317	53	2333	2253	599
Mar 2010	2250	2313	58	2267	2250	117
May 2010	0	2314	58	0	0	4
Jul 2010	2265	2327	62	2265	2265	
Sep 2010	0	2322	58	0	0	
Dec 2010	0	2340	64	0	0	
Average/Totals		2327				8869

Thursday 5th March 2009

Month	Open	Price	Change	High	Low	Volume
Mar 2009	2346	2316	-29	2346	2275	4
May 2009	2314	2265	-73	2338	2251	6605
Jul 2009	2308	2258	-71	2321	2246	808
Sep 2009	2312	2257	-71	2313	2245	286
Dec 2009	2306	2252	-65	2307	2240	391
Mar 2010	2250	2247	-66	2260	2235	33
May 2010	2260	2248	-66	2260	2260	
Jul 2010	0	2260	-67	0	0	2
Sep 2010	2277	2255	-67	2277	2277	
Dec 2010	2322	2273	-67	2322	2322	
Average/Totals		2263				8129

Friday 6th March 2009

Month	Open	Price	Change	High	Low	Volume
Mar 2009	0	2323	7	0	0	N/A
May 2009	2249	2272	7	2288	2239	N/A
Jul 2009	2260	2265	7	2271	2237	N/A
Sep 2009	2253	2263	6	2275	2236	N/A
Dec 2009	2248	2257	5	2268	2229	N/A
Mar 2010	2244	2255	8	2244	2244	N/A
May 2010	0	2258	10	0	0	N/A
Jul 2010	0	2269	9	0	0	N/A
Sep 2010	0	2264	9	0	0	N/A
Dec 2010	0	2284	11	0	0	N/A
Average/Totals		2271				0

Average for the week	2265				8985
					35,940

Spot Prices (US \$ per tonne)

	2 nd March	3 rd March	4 th March	5 th March	6 th March
Main Crop Ghana, Grade 1	2755	2824	2880	2807	2814
Main Crop Ivory Coast, Grade 1	2585	2654	2710	2637	2644
Main Crop Nigerian, 1	2553	2622	2678	2605	2612
Superior Arriba	2536	2605	2661	2588	2595
Sanchez f.a.q	2546	2615	2671	2598	2605
Malaysian 110	2223	2292	2348	2275	2282
Sulawesi f.a.q	2350	2419	2475	2402	2409
Ecuador Cocoa Liquor	3187	3286	3367	3262	3272
Pure Prime Press African Type Cocoa Butter	5584	5578	5900	5715	5733
10/12% Natural Cocoa Press Cake	893	920	943	914	916

Source: Cocoa Merchant Association

News

Health and Nutrition

Choc Full of Potential

QSR magazine

March 2, 2009



Serve comfort in hard times with chocolate treats.

This much we know about chocolate: Consumer taste for it is impervious to fluctuations in the economy. When times are good, chocolate represents a kind of celebration. And, when the market heads south, it becomes a kind of consolation.

Not surprisingly, during periods of prosperity, sales of premium chocolate tend to skyrocket. According to the consumer research report *Packaged Facts*, sales of premium chocolate grew an astonishing 200 percent between 2003 and 2007, when it reached \$3 billion.

Now many experts expect that the associated belt-tightening might actually prove to be a boon for upscale chocolate makers. The market-research giant Mintel asserted at the end of 2008 that while many consumers will continue trading down to value brands where most purchasing behaviors are concerned, they will also continue to indulge “in small, affordable luxuries, like premium chocolate.”

Consumers define “premium” in a host of different ways, of course, but the U.S. Department of Agriculture’s categorization—chocolate made from so-called “fine” cocoa beans instead of “bulk” or “ordinary” ones—seems reasonably close to the mark. After all, when coupled with better systems, blending techniques, and quality controls, finer raw ingredients do tend to make for better finished products.

But what about other signifiers of quality, including labels such as fair trade and organic?

In the case of the former, consumers seem mostly unmoved by the distinction between conventional products and fair-trade varieties. Research conducted last year by the Natural Marketing Institute found that only about 15 percent of consumers would be more likely to buy a product emblazoned with the fair-trade logo. “With the hundreds of seals and certificates flooding the market, consumers have become overwhelmed,” said Steve French, a managing partner at the Institute, in an article published in December.

As for organic chocolate, its reputation remains checkered at best. “I’ve always been skeptical of organic chocolate. In my experience, most of it tastes awful,” lamented New York Times food writer Jill Santopietro in her November 2008 preface to a largely unfavorable review of several different organic brands. So assuming premium chocolate is here to stay, even if the popularity of organic and free-trade varieties waxes and wanes, how can quick-serves capitalize?

To me, it all comes down to that need for comfort, consolation, and a little indulgence in hard times. Assuming things remain precarious economically for the time being, quick-service customers are more likely than ever to view their visits as much-needed breaks from the same old, same old. And that means chains might be able to turn those visits into great escapes through the addition of some select premium chocolate treats.

The confections and concoctions I have in mind wouldn’t be check-busters by any means; adding to the check is less the objective than adding to the overall restaurant experience in ways that promote repeat visits and long-term loyalty. At a challenging time when keeping customers coming is job No. 1, that’s no mean feat. So many of these ideas are intended to be bite-sized, low-cost, or even complimentary offerings.

Dark chocolate's recent soaring popularity is primarily attributable to the intensity of its flavor profile and to its widely reported health benefits. Casual chains such as Applebee's, Olive Garden, and Marie Callender's have placed dark chocolate pies, cakes, and brownies on their menus in recent years, but the cacao-heavy stuff has been all but absent in quick-serve settings. This begs the question: Why couldn't a quick-serve score a hit with, say, a small dark chocolate parfait cup, or a high-quality, bite-sized dark chocolate ice cream pop?

Alternatively, a burger chain might offer a devil's food cake bite to cap a great meal, while Italian chains such as Pizza Hut could consider the addition of a chocolate gelato or a cocoa cannoli featuring a rich chocolate pastry shell and a dark chocolate ricotta-cheese filling. Mexican concepts could capitalize on the appeal of Mexican chocolate with a single shot of a hot cocoa beverage containing that signature mix of dark chocolate and cinnamon flavorings. And at chicken chains like KFC, a small cup of dark chocolate pudding spiked with various sprinkles or mix-ins could fill the bill for an after-meal pick-me-up.

In the same vein, Subway could offer patrons a perfect finish with a distinctively different dark chocolate wafer cookie, or perhaps a chocolate Rice Krispies treat that uses a premium dark chocolate as a coating, rather than the standard-issue milk chocolate variety. Meanwhile, coffee chains have already gone to town with hot cocoas and mochas, but they haven't necessarily delved into the realm of premium milkshakes made with higher-quality chocolate syrups and premium chocolate ice cream.

There's no question that when times are tough, consumers go looking for small comforts in familiar places. Tapping into premium chocolate's mass appeal during rocky economic times could make sense for quick-serve chains intent on cementing customer relationships by strengthening their emotional connections—and value propositions—with legions of solace-seeking guests.

Benefits of eating chocolate

Seattle Times

By Joe Graedon and Teresa Graedon's Ph.D

March 2, 2009

.Q: I am confused about chocolate. I read that it's good for me because of its flavonoids. But I've also heard that alkali processing strips cocoa of most of these antioxidant chemicals.

A: Many studies on the health benefits of cocoa flavonoids have been funded by the Mars candy company. It developed a special method (Cocoapro) to retain these antioxidant compounds during processing.

Independent research from Italy confirms that dark chocolate can lower blood pressure and help improve the response to insulin (American Journal of Clinical Nutrition, March 2005). Previous studies have shown that cocoa flavonoids can make blood vessels flexible and keep blood platelets from clotting. Look for chocolate containing natural-processed cocoa instead of alkali-processed (also termed Dutch-processed) cocoa.....

Production & Quality

Ivory Coast Cocoa Deliveries to Ports Increase 59% (Update1)

Bloomberg

By Pauline Bax

March 3, 2009

(Bloomberg) -- Cocoa deliveries to Ivory Coast ports for shipment abroad rose 59 percent in the week ended Feb. 22, according to an industry official with access to the information. Arrivals at the ports of Abidjan and San Pedro from farms in the west African country, a measure of production in the world's biggest cocoa-growing country, totaled 23,841 metric tons in the period, compared with an estimated 15,000 tons a year earlier. Arrivals since the start of the season on Oct. 1 were 823,379 metric tons, the official said. The official based the figures on data provided by the state-run Bourse du Cafe et du Cacao. The official declined to be named because the data are confidential.

The following is a table of the amount of cocoa beans, in metric tons, as registered by exporters and exporting cooperatives in the week from February 16 to February 22.

ADM Cocoa Sifca (ADM Cocoa, US)	1,023
Armajaro	476
ATMC	706
Cargill Cocoa Sarl	3,757
Cemoi	1,270
Cipexi (Amtrada, the Netherlands)	1,357
Caocaf Ivoire	693
Coex Cote d'Ivoire	544
Coopai	148
Coopacdi	658
Coopradi	337
Coopaya	42
CPCM	235
Dafci	561
Ecookim	62
GAD Continental	35
Novel CI	270
Pronibex	173
Saco (Barry Callebaut)	1,895
Saf Cacao	1,016
Siaco	3,154
Socatene	200
Sucso	277
TNCI	3,228
Uirego	139
Ucas	332
Unicao (ADM Cocoa, US)	1,253

To contact the reporters on this story: Pauline Bax in Abidjan via Johannesburg at abolleursa@bloomberg.net.

ICCO sees rising global cocoa deficit in 2008/09

Reuters Botswana

Mar 3, 2009



LONDON (Reuters) - The International Cocoa Organization on Tuesday forecast a wider global cocoa deficit of 193,000 tonnes in 2008/09 with a drop in production only partially offset by lower grindings.

The London-based ICCO, in its quarterly statistical bulletin, also upwardly revised its forecast for the deficit in 2007/08 to 88,000 tonnes from 77,000 tonnes.

Global production was seen falling in 2008/09 by 5.0 percent to 3.52 million tonnes from 3.71 million with world grindings seen down 2.1 percent at 3.68 million tonnes.

Fortis Bank on Monday maintained its forecast for a much smaller deficit of 45,000 tonnes in 2008/09 while a Reuters poll issued in late January had a median forecast of a deficit of 65,000 tonnes.

SW Nigeria's 2008-09 Main Cocoa crop harvesting ends – Trade

MarketWatch (press release)

By Obafemi Oredein, contributing to Dow Jones Newswires

IBADAN, Nigeria, Mar 05, 2009 (Dow Jones Commodities News via Comtex) -- Farmers in southwestern Nigeria have completed harvesting the 2008-09 main cocoa crop, farmers and traders said Thursday. "The trees are bare of main crop pods in our area, you can only see the mid-crop cocoa now developing for harvest," Yemi Omoyemi, a trader in Ile-Ife, an important cocoa-growing and marketing town in Osun state, told Dow Jones

Newswires. He said the main cocoa crop is now available only in stores and warehouses of Local Buying Agents and exporters.

Harvest of the main cocoa crop usually starts in the southwest cocoa belt in September-October and runs through January-February. The midcrop harvest begins in March-April and ends in July-August. An official of the Cocoa Research Institute of Nigeria said good rainfall for much of last year helped the growth of the main crop. He said the harvest was also good "because there was a reduction in black pod disease in the region in spite of adequate rainfall." Black pod disease, according to CRIN estimates, destroys 40%-60% of Nigeria's cocoa output.

An official of the National Cocoa Development Committee has forecast Nigeria's 2008-09 main crop cocoa at 190,000-200,000 metric tons. "We will likely meet the production forecast because of the adequate rainfall, good farm management by farmers and few cases of black pod disease on the farms in the region," the official said. Production figures for the main crop are being collated by the producing states, he said, adding: "We will likely meet the forecast." The southwest cocoa belt accounts for 70% of Nigeria's annual production of 242,000 tons.

Cameroon Cocoa Bean size falls but Quality not hit - Industry

MarketWatch (press release)

By Emmanuel Tumanjong, contributing to Dow Jones Newswires; +237-7773-1930;

YAOUNDE, Cameroon, Mar 06, 2009 (Dow Jones Commodities News via Comtex) -- Cocoa beans from Cameroon's leading producing region of Southwest Province exported in February from Douala fell in size to 93-100 grains per 100 grams from 87-92/100 in December and January, quality controllers told Dow Jones Newswires during a trip to Douala.

Southwest Province is Cameroon's chief cocoa-growing region, producing at least half of the country's annual cocoa output, according to government and industry data. "Although the size of the cocoa beans has fallen, this has not stopped good quality of cocoa beans coming from the Southwest Province," said one of the three quality controllers who spoke to Dow Jones Newswires.

Cameroon has six commodity quality control firms. "The cocoa from the Southwest had no mold, no humidity, this could be explained by the fact that there has been a smooth alternation between sunshine and rainfall throughout December, January and February," another quality controller said. Cameroon produced over 187,000 metric tons of cocoa in the 2007-08 season, up 2% from the previous year.

The Market

TIGHT SUPPLY

guardian.co.uk

By David Brough and Marcy Nicholson

** Sharp falls in demand seen in E. Europe, Asia*

** Recent rains augur well for West African mid-crops*

LONDON/NEW YORK, March 2 (Reuters) - Global demand for cocoa looks set to fall this year due to the economic downturn, but supply shortages will prevent steep price falls, dealers and analysts said. Expectations that the pound will stay weak will likely provide support for the sterling-denominated London cocoa market, as UK interest rates could fall further. "As the financial crisis bites, we are predicting that there will be a lowering in demand for cocoa," said Jean-Marc Anga, director of the economics and statistics division of the London-based International Cocoa Organization (ICCO).

Cocoa futures prices put in a stellar performance in 2008, with the London market surging 66 percent and U.S. futures up 31 percent, due to the combined impact of tight supplies from West African main crops, resilient demand and the weak pound. But traders believe that much of the momentum has now gone as the global economy worsens. So far in 2009, second-month London cocoa has fallen 1 percent, and ICE second position has lost 8 percent.

Senior cocoa dealers said privately that, based on research conducted by their company, global cocoa demand was set to fall this year, due to the economic crisis as people in emerging economies spurn chocolate as an

unnecessary luxury. "Markedly reduced chocolate consumption in Asia, Eastern Europe and to a lesser extent elsewhere will inevitably feed through into lower grindings (an indication of demand)," investment bank Fortis said in a report on Monday. "We currently expect a 3 percent global drop in grindings, year-on-year -- a sharp reversal from the growth of recent years."

U.S. analysts said the global economic crisis would cause cocoa demand to fall year-on-year. "We certainly think that overall world consumption is going to be down, with most commodities. I think that (demand) will grow less and push toward the negative," said Al Abaroa, senior trader with Time Leverage Capital in Plantation, Florida. Abaroa said the cocoa market had further to fall and a recent slip below \$2,350 per tonne, basis ICE May futures, signalled the U.S. cocoa market could fall below \$2,000 by the end of the first quarter.

ICE benchmark May was down \$77 or 3.2 percent at \$2,336 per tonne on Monday afternoon, while London May was down 33 pounds or 1.8 percent to 1,770 pounds per tonne.

TIGHT SUPPLY

Dealers and analysts are now turning their attention to the mid-crops in the main West African producers, where most of the world's cocoa is produced, notably Ivory Coast, Ghana, Nigeria and Cameroon, due to arrive from April. But they said even if the mid-crops turned out to be fulsome after recent favourable rains, the overall impact on production would be limited due to tight supplies from the main crops.

Cocoa futures prices jumped last year, largely due to the slow initial pace of bean arrivals to West African ports. However, bean arrivals have picked up so far this year as the main crop has had a long tail, easing the supply bottleneck. But traders and analysts still see the overall supply picture as tight. A favourable mid-crop would not have a huge impact on aggregate supply. Although the demand outlook was gloomy because of bleak economic prospects, the cocoa supply picture still looked tight and this could prevent deep price falls, dealers said.

Sterling Smith, vice-president with FuturesOne in Chicago, said he expected demand growth to shrink through the first half of 2009, due to the economic downturn. "I am looking for the global economic outlook to stabilise into the second half of 2009 and cocoa demand should improve." The ICE May contract could fall to \$2,050-\$2,100 per tonne, with a recovery to around \$2,375 by the end of March, he added. "The mid-crop is still a bit of a question. However, it should be viewed as bearish," Smith said.

A New York-based cocoa trader said: "The short-term outlook for cocoa will remain fairly tight in spite of the recent increase in bean arrivals to Ivorian ports and the narrowing of the demand/supply gap between 2007/08 and 2008/09. "The fact is that we will have a third consecutive annual deficit and a fairly large one at that. Perhaps anywhere between 250,000-325,000 tons." *(Additional reporting by Nigel Hunt in London; Editing by Sue Thomas)*

Cocoa climbs in N.Y. as China's Stimulus Plan boosts markets

By Shruti Date Singh

March 4, 2009

(Bloomberg) -- Cocoa prices gained for the second straight day in New York as equities and commodities rebounded on speculation that a new stimulus plan may revive growth in China, the world's third-biggest economy.

The Dow Jones Industrial Average rose as much as 2.6 percent, after yesterday touching the lowest since April 1997. The Reuters/Jefferies CRB Index of 19 raw materials climbed as much as 3 percent. China may add to stimulus spending under a plan Premier Wen Jiabao may announce tomorrow, supplementing a 4 trillion yuan (\$585 billion) plan.

Cocoa "is bouncing with other markets," said Judith Ganes-Chase, a commodities analyst in Katonah, New York. Cocoa futures for May delivery rose \$56, or 2.5 percent, to \$2,338 a metric ton on ICE Futures U.S. in New York. The price jumped 3.1 percent yesterday. Cocoa still is down 12 percent this year, partly on concern that the slumping global economy will reduce consumption. Global cocoa demand may exceed production by 193,000 tons in the year ending Sept. 30, the International Cocoa Organization said yesterday. The production deficit was 88,000 tons in the previous year.

The group "was generous in their estimate of consumption," Ganes-Chase said. "Consumption is going to decline further than they indicated. It's possible we could be close to balanced. Production may be better and

consumption down.” With the prospect of higher output and lower consumption, “we are looking for the potential for a surplus in 2009-10,” she said.

Processing & Manufacturing

World Cocoa Grindings expected to fall 3% On Year – Fortis

MarketWatch (press release-

By Sarah McFarlane, Dow Jones Newswires; +44 (0)20 7842 9327; sarah.mcfarlane@dowjones.com

LONDON, Mar 02, 2009 (Dow Jones Commodities News via Comtex) -- World cocoa grindings, an indicator of cocoa demand, are expected to fall by 3% on the year in 2009, said Fortis bank in its quarterly commodities report Monday. "Markedly reduced chocolate consumption in Asia, Eastern Europe and to a lesser extend elsewhere will inevitably feed through into lower grindings," said Fortis.

In most recent data, European fourth quarter grindings rose 0.1% on the year while U.S. grindings were up 1.85% on the year, giving hope that cocoa demand would remain resilient in a recession. However, cocoa grindings tend to lag what is happening in chocolate consumption. "Another indicator of the relative slump in chocolate sales, particularly for premium brands, comes from the fact that the previously substantial differentials for top quality cocoa beans have now collapsed," said Fortis.

Supply concerns drove cocoa prices to a near 24-year high earlier in the year. Prices have since fallen back by around 20% in New York as arrivals from the world's largest producer, Ivory Coast, have picked up and the country's mid crop outlook has risen Fortis maintained its view that 2008-09 world cocoa production would fall around 45,000 metric tons short of consumption despite slowing demand.

Creating wealth through cocoa processing

The Punch

By Sulaiman Adenekan

5 Mar 2009



Cocoa was one of the major sources of revenue for Nigeria before the discovery of crude oil in the late 1950s and consigned its contribution and that of other agricultural produce to the nation's coffers to an insignificant level.

However, the search for alternative sources of energy, the global food crisis and economic recession, have made cocoa a major financial attraction and money spinner. While the raw crop itself may not be a money spinner, processing of cocoa is a sure means of adding value and for anyone that can successfully do this, he is on the path of becoming wealthy.

The Managing Director, Multitrex Investments Plc, Mr. Yusuf Isiaka, says cocoa is a product of the tropics that grows in the tropical regions of the north and south of the equator. He adds that its fruit, otherwise called pods, grow on the trunk and are harvested twice a year, with each pod containing 20 to 30 white beans. He says the processing of cocoa beans is quite complex, but begins with the fermentation of the fruit in a pulpy state for three to nine days. During this time, the heat kills the seeds and turns them brown and an enzyme which is activated by fermentation, gives the beans there characteristic chocolate flavour later during roasting.

Isiaka says the beans are then dried in the sun, graded in jute bags for export or direct to processing industries. He says proper processing of cocoa requires investment in some machinery, including winnower, roaster, cleaner/destoner and mirroniser.

Given the process of turning cocoa beans into liquor, butter and cake; he says cocoa beans are cleaned to remove foreign materials like sand, stones and metals, using the cleaner/destoner machine, while the microniser prepares the cocoa beans for efficient winnowing. He says the winnower is attached to a series of blowpipes, which enable the beans to be cracked and the outer husk blown off, thereby making the cocoa beans become nibs.

According to him, cocoa nibs are roasted at high temperature in a revolving nib roaster. The heat reduces bacteria, changes the colour and flavour of the nibs and removes moisture. Isiaka says the roasted nibs are converted to cocoa liquor through three stages of milling namely pre-grinding, mid-grinding and fine grinding. Also included is ouing the grinding, fat melts, producing sticky liquid called cocoa liquor, which is used to make chocolate candy. He says the cocoa liquor is passed through the press machine to extract the fat (cocoa butter) leaving the solid cocoa cake, which is then cooled and packed as cake or ground to produce cocoa powder.

The Chairman, Alternative Uses of Cocoa, a Sub-Committee of National Cocoa Development Committee, Erelu Olusola Obada, says cocoa is a veritable source of wealth creation and employment generation for the people. She says cocoa can be used to produce various products. Specifically, she says cocoa butter is used for white chocolate and cosmetics, the pod, is used for animal feeds and the powder is used for wine.

Obada, who is also, the Deputy Governor of Osun State adds that the benefit of cocoa extends to health, as cocoa powder prevent people from having diabetes, hypertension, high blood pressure, heart diseases ,clears the heart for easy flow of blood and also increases men's libido. She says it is not enough to have a cocoa processing factory, but there must be regular availability of cocoa to be processed and also regular power supply. According to her, the use of power generating set is a drain on resources, and a problem to many local cocoa processors. She adds that cocoa processing can drive small and medium scale enterprises in the country.

Obada says cocoa production today is still difficult for some farmers but believes that with better government assistance, the industry will do well. She emphasised the need for farmers to improve their skills with continuous training. She says that once farmers know how to add value to cocoa by coverting the bean to powder, butter, cake and other products, greater earnings will accrue to them.

Business and Economy

Chasing the chocolate source

WA today

Source: The Sun-Herald

March 1, 2009



The cocoa bean's story embraces Mayan culture and a growing fair-trade movement, writes Sue White.

Climbing into the twin-propeller plane in Belize City, I'm reminded that this tiny country wedged between Mexico and Guatemala is indeed off the beaten track. Sure, the Tropic Air flight seats about a dozen but none of us can stand up.

During our hour-long journey to southern Belize, the aircraft acts more like a bus as we stop along the way, dropping off passengers, mail and bank deposits to villages on the Caribbean coast.

Despite a bird's-eye view of the sparkling sea and coral reefs that most visitors to Belize come for, my gaze is drawn to the land. Our low altitude affords an unparalleled view of the region, a thick, tropical jungle, home to myriad small farmers growing some of the world's finest cocoa.

Although Punta Gorda seems no less sleepy than the small towns my plane diverted to, it's the capital of Belize's Toledo District. But in the mind of many visitors, it's the capital of chocolate, or at least its key ingredient, cocoa. The community of Punta Gorda is realising visitors want a taste of something more than coastal life; they want to trace chocolate to its roots and through the production process. For example, some fans of the premium organic chocolate Green & Black's - a niche brand in Australia but a household name in Britain - tracked the fair-trade product to the 900 or so farms around Punta Gorda as part of their travels.

The Toledo Cocoa Growers Association (TCGA) has spent the past 16 years quietly building a successful partnership with Green & Black's; as a result, the organic cocoa beans from the small-scale, co-operative farms end up on our shelves in the fair-trade chocolate, Maya Gold.

While chocolate tourism may be new, the local connection with cocoa is age-old. Mayans valued the cocoa bean (known as cacao) for its supposed links to fertility; chocolate drinks, called kukuh, have been used on ceremonial occasions in this part of the world for at least 1500 years.

Chocolate begins its lifecycle in the heart of the cocoa pod. Sprouting from attractive, shady trees, the large, oval-shaped cocoa pods are harvested at peak ripeness. Farmers dig out the four dozen or so beans lying under the sweet, pulpy flesh inside the pod and begin the drying and fermenting process. After up to a week lying in the sun, the beans turn from purple to almost brown.

When local tourism operators realised the depth of visitors' interest in their farmers' crops, a small side industry in tours began. Year-round, visitors to Punta Gorda can head out on the cocoa trail for a three-hour tour that includes visits to organic farms and lunch in one of the farmer's simple homes. If you're patient enough to wait until the Punta Gorda tourist office is open (it can be hit and miss), you may also be able to arrange for a homestay on a remote farm (highly recommended).

The formal tour operators are nowhere in sight but I'm lucky enough to be in the hands of local TCGA manager, Armando Choco. We leave Punta Gorda early to head for the hills where the heart of cocoa country lies. Farms are well disguised among the lush green jungle and as we trek our way up and down a rough trail, Choco shares his understanding about the difficulties farmers face: "My grandparents farmed and I saw their struggle," he says. "My father fell ill when I was young, so he couldn't teach me what he knew but I knew what they went through and what the rewards were when they sold their product."

I puff my way along under 100-year-old cocoa trees towards Luciano Sho's farm, arriving hot and satisfyingly dirty. It's worth the hike to hear Sho explain that his fair-trade pay packet has made a real difference for his children's education. "I wanted to make sure my children were not as foolish as me," he says of his education. "I have 13 children; one is a teacher, one is in the air force and another is at technical college."

While getting out to the farms is rewarding, there's an even easier way to absorb the district's connection to chocolate. Each May, Punta Gorda hosts the colourful Toledo Cacao Festival, a three-day celebration of cocoa, chocolate and Mayan culture.

Locals also produce their own but don't expect the local bars to taste the same as what you find on Western supermarket shelves: the sweet magic of a good chocolate bar as we know it comes later in the production process. Instead, I make do with the kukuh drink, a sweetened, earthy concoction that farmers cook up for their visitors.

Sipping the traditional drink, deep in the heart of the jungle, is so satisfying that I could stay indefinitely, especially if it meant escaping the nerve-racking flight out of here.

The dairy milk index: Why cheap chocolates are so good

Daily Mail

By Lydia Slater

2nd March 2009

Much has been written about the 'lipstick index', which shows that when a recession is looming, sales of lipsticks soar as women give up buying shoes and bags in favour of more affordable accessories. But the Dairy Milk index may be an even more reliable indicator of recession. When economic times are tough, the tough buy chocolate. Swiss banks may be suffering, but Swiss chocolatiers reported record sales last year.

And while other British manufacturers slide into the red, Cadbury has just announced a 30 per cent rise in annual profits. It makes perfect sense.

Chocolate is inexpensive and packed with mood enhancing chemicals. And if you choose the right brand, it can take you straight back to the safety of childhood with the first bite. During the recent boom, chocolate had a complete image makeover. Smart chocolate boutiques popped up across the country, introducing consumers to the refinements of high cocoa content, single origin bean bars.

The violet creme gave way to the sea-salted caramel, and some chocolate snobs even went so far as to crunch shelled cacao beans, claiming that the taste was far superior without sugar. But now recession is upon us, we've gone back to our comforting (and much cheaper) childhood favourites.

Scratch the most dedicated gastronome and you'll probably uncover a Mars Bar obsessive or a Flake aficionado. One friend, a well-known chocolatier who flavours his own wares with exotic woods, recently confessed to a secret passion for Crunchies. 'You have to scrape off the chocolate with your teeth and then let the honeycomb melt on your tongue,' he drooled. For me, it's a Fry's Chocolate Cream, with its would-be chic navy livery and smooth, dark exterior hiding a velvety cushion of white mint.

But if I feel really miserable, I head straight for Creme Eggs. Since I was first given one for Easter at the age of six, I've loved everything about a Creme Egg: the weight and curve as it nestles in the palm of the hand; the anticipatory scrunch of the festive scarlet, blue and gold paper; and the blissful moment when your teeth sink into the thick, milky chocolate at the top. By the time I've slurped out the gluey fondant, I'm feeling sick, my throat is burning and I'm insulated from the world by a thick, sugar, security blanket. Life is sweet again.

Cocoa Facing 'Negative Campaign' on Quality

Jakarta Globe

By Arti Ekawati

March 3, 2009

The head of the Agricultural Quarantine Agency on Monday lashed out at claims that Indonesian cocoa exports were contaminated with pesticide residue, saying quality concerns were being used by foreign buyers to drive down the price of the commodity. "I regret these negative campaigns about the safety of Indonesia's cocoa products, particularly because most of the [claims] lacked supporting evidence," said Hari Priyono, secretary of the Agricultural Quarantine Agency, on Monday.

Some foreign delegations filed complaints about Indonesian cocoa during the World Trade Organization's annual meeting in Geneva, Switzerland from Feb. 24 to Feb. 26, Hari said. One delegation from Singapore complained in Geneva that pesticide-residue levels in Indonesian dry cocoa kernels were higher than permitted under the city-state's import regulations.

After examining a single sample of cocoa kernels from Makassar, South Sulawesi Province, the US government placed the commodity under "automatic detention status," which meant shipments would be held in storage and later sold for a lower price, he said. The US authorities claimed the cocoa had not been hygienically processed.

Cocoa kernels from other production centers in South Sulawesi, North Sumatra, West Sumatra and Jambi provinces were not tested, Hari said. "Critics should not generalize about the quality of all Indonesian cocoa merely from the results of a single sample," Hari said.

Due to quality concerns, US buyers have purchased Indonesian cocoa kernels far below market prices in recent years. "At the meeting, representatives from Singapore said that the pesticide content in Indonesian cocoa kernels was higher than 0.01 parts per million," Hari said, adding, yet again, that the claims were not backed by scientific evidence.

Halim Razak, chairman of the Indonesian Cacao Association, or Askindo, said that Singapore should not question the quality of Indonesian cocoa because Indonesia had already cleared quality concerns with Japan about two months ago. "[At that time] Japan said [Indonesian cocoa] was safe," Halim said.

Singapore imports unfermented cocoa kernels from Indonesia. It then processes the kernels locally before exporting them as cocoa products to other countries such as Japan. Factories in Singapore process about 200,000 tons of unfermented cocoa kernels per year into cocoa powder. The country imports raw materials from Indonesia, Papua New Guinea and several African countries. Indonesia exports about 50,000 tons of cocoa per year to Singapore, accounting for about 20 percent of its needs.

Halim said most direct buyers of Indonesian cocoa products, both raw and processed, have yet to complain about quality or safety. "We're not really concerned about [the allegations]. We just have to focus on how to continually improve quality," Halim said.

UPDATE 2-Barry Callebaut joins forces with Spain's Natra

By Katie Reid and Tracy Rucinski

URICH/MADRID, March 3 (Reuters) - Barry Callebaut (BARN.S) the world's largest chocolate maker, has signed an agreement with Spanish food group Natra (NATR.MC) that would see the Swiss group moving its consumer chocolate unit Stollwerck to Natra. The deal would also result in Barry Callebaut taking a minority stake in Natra as well as securing a long-term outsourcing contract with Natra, the groups said in a joint statement on Tuesday.

The move would mean Natra would become an important private label chocolate maker with 2008 pro forma sales of around 850 million euros (\$1.07 billion) and it would allow Barry Callebaut to focus on its industrial and artisanal customers, the groups said in a joint statement.

Barry Callebaut, which makes chocolate for groups such as Nestle and Cadbury, would supply a minimum of 85,000 tonnes per year of liquid chocolate to Natra under a long-term outsourcing contract. Barry Callebaut is a provider of cocoa and chocolate products, coatings and cocoa powders to the food manufacturing industry, while Natra specialises in the production of chocolate and cocoa, as well as other food and wine products.

Last year, Natra acquired Italian spreadable chocolate business Nutkao for 48 million euros.

Natra chairman Manuel Moreno told Reuters in November the company was not planning any further acquisitions in 2009 but would continue looking for joint ventures or business agreements. No financial details of the deal between Barry Callebaut and Natra were disclosed and the groups said the transaction was subject to certain conditions, in particular secured long-term financing.

NATRA TO HALVE NATRACEUTICAL STAKE

As part of the agreement with Barry Callebaut, Natra said it would reduce its 50 percent stake in its Natraceutical (NATE.MC) division by half, either through the sale to a strategic investor or by distributing the shares among its own shareholders. It ruled out selling the shares in the stock market so as not to prejudice Natraceutical's shareholders.

At 1050 GMT, Natra shares were up 9/5 percent at 4.60 euros, while Barry Callebaut rose 4.6 percent to 502 swiss francs. Natraceutical was down 2.7 percent at 0.36 euros. "The deal should be positive for Natra in terms of synergies, geographical expansion and know-how," Ahorro analyst Rafael Cavanillas said. (\$1=.7924 Euro)

Cocoa climbs after Forecast of Larger Deficit; Sugar Advances

By Claudia Carpenter

March 3, 2009

(Bloomberg) -- Cocoa climbed in London after the International Cocoa Organization forecast a larger supply deficit this year. Sugar gained and coffee fell. Cocoa supply will be 193,000 metric tons below demand in the 2008-09 season that started Sept. 1, the London-based industry group said today. The deficit was 88,000 tons a year earlier, according to the report. Prices jumped 12 percent in January, extending last year's 71 percent surge. "It is a positive number," said Sudakshina Unnikrishnan, an analyst at Barclays Capital in London. "Price moves we saw early in this quarter have been based on the market's preoccupation with the supply side."

Cocoa for delivery in May gained as much as 31 pounds, or 1.8 percent, to 1,744 pounds (\$2,454) a ton on the Liffe exchange and was at 1,741 pounds at 1:50 p.m. local time.

Brussels-based bank Fortis yesterday maintained its forecast for the cocoa supply shortfall to narrow to 45,000 tons from 120,000 tons a year earlier. The industry group forecast a 2.1 percent drop in consumption this season. The market may start to focus more on demand, Unnikrishnan said.

"Demand-side fundamentals do not look terribly positive," she said.

White, or refined, sugar for May delivery advanced 60 cents, or 0.2 percent, to \$379.80 a ton after dropping the most in two months yesterday.

Import Margins

The 5.4 percent decline yesterday "will bring back profitable import margins," said Jonathan Kingsman, chief executive officer of Lausanne, Switzerland-based sugar broker and research company Kingsman SA. Before

yesterday, world sugar had gone above domestic prices in "most markets, and it cut off demand," Kingsman said.

Thailand, the world's second-largest supplier of sugar, sold 44,333 tons of sugar, the first sale in seven months. Bunge Ltd., the world's biggest oilseed processor, was the only buyer, said Surat Thadachawasakul, general manager of state-owned Thai Cane and Sugar Corp.

Iran, which imports white and raw sugar, and India, the world's biggest consumer, need to buy more sweetener from overseas this year, Kingsman said. Some importers may hold off purchases until prices stabilize, he said. "We have to question whether sugar consumption continues to grow if the world economy is shrinking," Kingsman said. His firm forecasts a 1.2 percent climb in global sugar demand this year.

London-based Czarnikow Sugar Futures Ltd. last week lowered its estimate for 2009 demand growth to 1.5 percent from 2.06 percent, partly because of the "far-reaching impact" on Chinese food exports from last year's melamine milk scandal. Infant formula contaminated with the chemical was blamed for the deaths of at least six babies last year.

Robusta coffee for May delivery extended its drop, falling \$23, or 1.5 percent, to \$1,498 a ton after slipping 2.4 percent yesterday. *To contact the reporter on this story: Claudia Carpenter in London at ccarpenter2@bloomberg.net*

Brazil Cocoa Sector to Miss Supply Opportunity

Source: Reuters

04/03/2009

Sao Paulo, Mar. 3 - Lower production threatening West Africa's position as the world's top cocoa supplier should present an opportunity to rival growers, but Brazil -- once the world's No. 2 producer -- is hobbled by struggles of its own. "No way. No chance. The opposite," said Brazil-based cocoa analyst Thomas Hartmann when asked whether local growers might renew or plant more trees after prospects of a second straight year of supply shortages recently sparked price rallies.

Brazil once produced the world's second-largest cocoa crop before witches' broom, a fungal disease, cut output in the 1990s from around 300,000 to 140,000 tonnes per year and relegated it to sixth place.

Efforts to control the disease achieved little and left farmers indebted and despondent. "Since then (production) hasn't been able to get even near to its former level," said Hartmann, who has watched the decline during a cocoa career spanning more than four decades.

The International Cocoa Organization (ICCO) on Tuesday raised its forecast for a global cocoa deficit to 193,000 tonnes for 2008/09. It follows a deficit in the 2007/08 season which the ICCO put at 88,000 tonnes.

But should the deficits continue, Brazil is unlikely to have much more to offer the market. Farmers and buyers say there is no sign of a long-promised government investment plan to ease growers' debts and raise output with new trees. "I don't see any possibility to raise production without the (plan). There is no real proposal for cocoa," said Marc Nuscheler, head of a cooperative of organic cocoa producers. He says the premium for his niche product makes it more viable.

WEST AFRICA WOES

The chief culprit for the shortage is the world's top cocoa grower, Ivory Coast, which, though smaller than many of Brazil's 26 states, grows 40 percent of the world's supply of cocoa used in chocolate, drinks and cosmetics. A farmers' strike, a fungal disease called black pod, and heavy taxation and turmoil within the sector -- a pillar of the tropical country's economy -- have left its output some 175,000 tonnes behind where it stood a year ago.

Analysts say the downward trend is likely to continue as Ivorian growers, many of whom live in poverty, grow weary of pests, disease, and squabbles and corruption among those who manage the many levies they pay. Some growers have been switching to rubber and palm oil, which they say offer a better and less seasonal income.

Neighboring Ghana, the world's No. 2 grower, has ambitious plans to raise output to more than 1 million tonnes per year. But it faces land shortages and so far this season its output is down rather than up from last year, by some 34,000 tonnes.

HIGH LABOR COST

A world away from the cocoa farms, traders in London and New York were exchanging cocoa futures contracts in January at prices not seen for 24 years amid fears of a shortage, even though other commodities were plunging as investors fled.

That brought Brazilian farmers a welcome increase of around one quarter in the farm gate price in the main cocoa producing state of Bahia to around 6.7 reals per kilo (\$2.74) from January onward, up from about 5 reals per kg (\$2.19) before.

But cooperative chief Nuscheler said even at those prices there was little profit in Brazilian cocoa because costs were rising so quickly in the very labor-intensive industry. "The minimum wage has changed a lot in the last eight years. More than 80 percent of the cost is labor," he said. "I think most cocoa owners here once lived on cocoa but they built up another activity." He said he supplemented his cocoa income by growing an exotic fruit popular in Brazil called acai.

The World Cocoa Foundation, paid for by the industry and funding projects to improve cocoa farmers' living standards, says few Brazil farmers depend exclusively on cocoa but live off other cash crops and even livestock cultivation. "For small and medium sized farmers there is no sign of increasing production. There are some who still believe and can afford to maintain their plantations," Nuscheler said.

Cadbury choc to go Fairtrade to help Ghana growers

By David Jones, editing by Will Waterman

LONDON, March 4 (Reuters) - Confectionery maker Cadbury Plc (CBRY.L) plans to sell Britain's biggest selling chocolate brand Dairy Milk under the Fairtrade logo in Britain and Ireland, which should help tens of thousands of cocoa farmers in Ghana.

The London-based chocolate maker plans to make the move to Fairtrade certification by the end of summer of 2009 which will triple the amount of Fairtrade cocoa sold from the West African nation, which is Cadbury's main source of cocoa beans. "As 50 percent of our business is chocolate orientated, we are looking to create a good and sustainable business," Cadbury's Chief Executive Todd Stitzer told Reuters.

Under the Fairtrade scheme, Cadbury will pay a minimum price for its Ghanaian cocoa, but Stitzer said there would be no change to the group's financial forecast that its overall input costs would rise between 6 and 8 percent in 2009. The Fairtrade mark is aimed at securing a better deal for developing market commodity producers, and is used on a range of products such as coffee and bananas. UK Fairtrade sales reached an estimated retail value of 700 million pounds in 2008.

Cadbury sells over 300 million Dairy Milk bars in Britain and Ireland annually, and it is set to become the first mainstream brand to go Fairtrade, ahead of arch rivals privately owned Mars and Swiss-based Nestle (NESN.VX).

Ghana, the world's second-biggest producer of cocoa after the Ivory Coast, produces around 5,000 tonnes of Fairtrade cocoa, but the Cadbury deal should triple that to 15,000 tonnes annually. There are an estimated 700,000 cocoa farmers producing Ghana's second most valuable commodity after gold. London cocoa future prices hit a 24-year high in late January but have since slipped nearly 15 percent as supply concerns have eased and global economic slowdown worries intensified.

INTERVIEW: New Deal with Barry Callebaut to help Chocolate Firm Natra reach 2010 Target of becoming leader of European Market for Private Label and B2B Chocolates

Source: FLEXNEWS

04/03/2009

As consumers are increasingly shifting from food manufacturer A-brands to private label brands, but, at the same time, are continuing to spend on chocolate, one company is certainly benefitting from this double trend. Chocolate specialist Natra, who is headquartered in Spain, not only has 95% of its production going towards private label, but is also boosted by the fact that chocolate consumption traditionally increases during crisis periods. "Currently there is a conservative consumption, therefore an impulse to consume products to 'take home'. Chocolate, in general, is in that group", says Natra's CEO, Ignacio Miras.

With regards to private label brands though, Miras stresses that the consumer does not buy them only for their lower prices, but also for their quality, innovation and multiple offerings. "In these decisive moments, the brands that are in second, third or fourth position will tend to lose the fight while the battle will remain between A Brands vs. PLB", argues the CEO.

The company's name may not be familiar to those not involved in the food industry, but Natra sells 175 of its own and private label brands of cocoa and chocolate products across Europe in supermarkets owned by 25 of the 30 largest European retailers, such as Carrefour, Metro Group, Tesco, Lidl or Groupe Auchan. Its products are also present in 60 countries worldwide.

On March 2nd, the company reported that its Cocoa and Chocolate sales in 2008 increased 32.5% to 303.1 million euro compared to 2007.

Stollwerck and Geographical Expansion

Having produced 117,000 tons of chocolate products last year, the company maintains its focus on expanding its activities to reach emerging markets and continues its growth strategy despite the ongoing recession, which is negatively impacting other food producers.

In addition to promoting its organic growth, "Natra wishes to carry out new acquisitions that will allow us to widen our range of products and to get into new markets", the company recently told FLEXNEWS. The company's main middle-term objective is simply to become the 'first European Private Label and Business to Brands chocolate producer' by 2010.

Now it seems that Natra's wishes have materialised under the form of yesterday's joint announcement with Swiss chocolate manufacturer Barry Callebaut. The firms have signed a memorandum of understanding regarding the possible integration of Barry Callebaut's European consumer chocolate business Stollwerck into Natra.

Established in 1839, Stollwerck is a leading German confectionery company, which not only has a good presence in Germany, but generates sales from Eastern Europe and other export markets across the world. Besides its best-selling brands Alpia and Sarotti, Stollwerck has specialty brands, such as Schwarze Herren Schokolade, Eszet-Slices or Alprose. The company's international brands include Jacques. "The combination of the two businesses would create a significant private label and third-party chocolate products maker in Europe with estimated annual sales of around €850 million, according to pro forma combined figures for 2008, a share of 2% of the entire European cocoa and chocolate market and a pro forma production output of around 215,000 tonnes in 2008", both companies said.

Thanks to the deal, Natra would be able to secure future growth in consumer PLB and third-party branded chocolate and benefit from Barry Callebaut's geographical presence, and product range. "The transaction would follow a strong industrial logic and would create value for both parties ... It would bring together two entities which are highly complementary in terms of geographical presence, know-how and product range", Natra said in yesterday's announcement.

It is also expected that Barry Callebaut, as part of a long-term outsourcing contract, will supply 85,000 tons per year of liquid chocolate to Natra, guaranteeing the supply of this ingredient for the Spanish company. Barry Callebaut is also expected to become a minority shareholder of Natra. The parties foresee to be able to execute the transaction in summer 2009.

Not only is Natra enjoying access to many geographical markets via its current clients, the company is also developing its current sales volume in USA, Canada and Russia. In September last year, Natra opened its first sales office in China and its second office in the US.

China represents less than 1% of the total world consumption of chocolate products, according to Euromonitor data. However, annual growth is expected to remain above 10%. Meanwhile, AC Nielsen estimates that the US Private Label confectionery product market will grow 27% in 2008.

Commenting on the US market, Mr Miras says: "We've been present in North America for a while and via some important distributors. It is a market where the PLB is growing. We foresee North America as a fast growing market for PLB".

Growing Portfolio

Natra, thanks to its five business units - Chocolates Belgium origin, tablets, spreads, Count lines/Chocolate bars, and cocoa products - is constantly investing in product innovation.

At the ISM business fair for the confectionery industry held in Cologne, Germany earlier this month, Natra presented its innovation portfolio, mainly consisting of premium range chocolate products. The company also highlighted two of the most important trends in the Chocolate Arena, the demand for individual portions and for indulging & luxury chocolate products. "In this regard, Natra investigates permanently in its five excellence centres specialized on cocoa, tablets, bars, spreads and Belgium Chocolates in order to offer to retailers one of the widest portfolios of cocoa and chocolate products available in Europe aimed to cover their needs on private label products," said the company.

In addition, Natra also showed attendees its latest ranges of the successful Vital'Crusty snack bar, which will be introduced during 2009.

"This innovation chocolate bar is working pretty well in markets such as Austria, Switzerland and Germany, amongst others ... We strongly believe in this product and its future development in new markets since market reaction so far has been very satisfactory", says Miras.

"These innovation products respond to the fact that people are increasingly searching for ways to feel better in all aspects of life, including food. This feeling has been the driver of the increase of offer for a lot of new functional products. Consumers are increasingly looking to boost their health in different ways and cocoa is perceived as a healthy ingredient".

"The chocolate industry has responded to consumption patterns by producing chocolate products with various health benefits and private label is doing so. This trend happens especially in countries with higher consumption per capita, such as Germany, Benelux, UK, France, US...", adds Miras.

A significant move by Natra in the functional food domain was made in October last year. The company, indeed, developed its first range of functional chocolate bars specially directed to private label brands and began a new business line in collaboration with biotechnological group Natraceutical, in which it currently has a 50.27% stake. "As a result of this collaboration in research and innovation, Natra develops new cocoa and chocolate products with functional ingredients, active principles and nutritional supplements for the final consumer; it is a range of products which adapts to private label brands (PLBs) and is still to be fully developed", the company said at the time.

British chocolate firm, Cadbury, seals 'cocoa deal' with Ghanaian farmers

African Press Agency

March 4, 2009

APA - London (United Kingdom) Britain's top chocolate firm, Cadbury, on Wednesday, announced it has attained great achievement of 'Fairtrade' status this summer, following a deal that involves its dairy milk exclusively made with cocoa grown in Ghana by farmers subsidised by Cadbury. "This will further improve living standards and conditions for farmers, as well as create a sustainable supply of high-quality cocoa for Cadbury", says Todd Stitzer, Cadbury chief executive. Stitzer says: "This is breaking news for farmers in Ghana

Cadbury dairy milk goes Fairtrade

BBC News

4 March 2009



Cadbury is investing £45m over 10 years in sustainable cocoa. The UK's best-selling chocolate bar is set to become Fairtrade certified, increasing the amount of Fairtrade cocoa sourced from West Africa. Cadbury's Dairy Milk will make the move - tripling the amount of Fairtrade cocoa sourced from Ghana to about 15,000 tonnes a year - in the summer. The total annual cocoa production of Ghana is more than 600,000 tonnes.

The Fairtrade mark is designed to secure a better deal for commodity producers in developing countries. Under the Fairtrade

scheme, Cadbury will pay a minimum price for its Ghanaian cocoa. However, although the open market price for cocoa has slipped in recent weeks, it still stands above the level guaranteed by the Fairtrade commitment. The recession has not affected purchases of Fairtrade goods - the rate of growth is still increasing

Harriet Lamb, Fairtrade Foundation

The move is part of the Cadbury Cocoa Partnership, a £45m initiative over 10 years designed to help cocoa farming communities across the developing world.

Increasing sales

Sales of Fairtrade goods in the UK are increasing dramatically, according to the Fairtrade Foundation. Since 2001, sales volumes have grown by 40-50% on average, with one million households buying Fairtrade goods between December 2007 and December 2008, the foundation said. The value of these goods was £500m in 2007 and £700m in 2008, it added. And "the recession has not affected purchases of Fairtrade goods - the rate of growth is still increasing," said Harriet Lamb, chief executive of the Fairtrade Foundation.

All own-brand tea and sugar at Sainsbury's, Co-op and Marks & Spencer is Fairtrade, as are all bananas sold at Sainsbury's and Waitrose. Companies have to pay a minimum price to their suppliers, plus a premium of \$150 (£106) a tonne, to qualify for Fairtrade certification. On top of this, they need to pay a licence fee to the foundation, based on volumes of sales. These costs are not always passed on to the consumer, said Ms Lamb.

Cocoa Industry, at Conference, Eyes Easing Demand

Source: Reuters

Miami, March 5 - The price of cocoa, chocolate's key ingredient, has fallen as demand wanes, an unusual scenario facing industry players who will gather at the Cocoa Merchants' Association of America International Cocoa Conference, which begins in Miami on Wednesday.

Global cocoa demand is widely expected to ease along with the economic downturn as many countries have entered recessions. It is typically a supply-driven commodity, however, said CMAA Chairman John Gibbons. "Cocoa traditionally has not been consumption driven, (the prices) have always been supply driven. Consumption's always been a given -- it's always been a single-digit increase -- never had an impact on pricing," Gibbons said.

Cocoa industry representatives from producing countries and from all the major U.S. chocolate manufacturers will be at the March 4 to 7 conference, Gibbons said. "It will be a good chance to gauge the whole industry," he said.

Supply concerns pushed cocoa futures to a 24-year peak on the London market in late January and to a five-month high in New York by early February, but worries about falling demand, combined with the growing belief that supplies may be bigger than previously thought, then weighed heavily on prices.

London's second-position cocoa futures contract dropped 18 percent off its high by Feb. 24. In New York, the fall was a steep 25 percent by March 2, from a Feb. 9 high. "People don't know what to do, because there's been so much focus in the past on what's going on at origin," Gibbons said.

Political instability in producing countries, and crop size and quality due to weather conditions, have historically been fundamental factors that move the cocoa markets. Industry players now have to turn their attention to global demand, a less visible figure, Gibbons said.

The International Cocoa Organization on Tuesday forecast a wider global cocoa deficit of 193,000 tonnes in 2008/09, with a drop in production only partially offset by lower grindings. Fortis Bank maintained its forecast for a much smaller deficit of 45,000 tonnes in 2008/09, while a Reuters poll in late January had a median forecast of a deficit of 65,000 tonnes.

Cadbury announces Chocolate will become Fairtrade Certified(TM)

FOXBusiness

SOURCE: Cadbury plc

LONDON, Mar 04, 2009 (BUSINESS WIRE) ----Cadbury plc, a leading global confectionery company, today announced that its Cadbury Dairy Milk(R: 20.37, n.a., n.a.%) will receive Fairtrade certification with the FAIRTRADE Mark appearing on UK and Irish Cadbury Dairy Milk products by the end of summer 2009. This

significant announcement on Cadbury Dairy Milk will result in the tripling of sales of cocoa under Fairtrade terms for cocoa farmers in Ghana.

Working with the UK-based Fairtrade Foundation, Cadbury Dairy Milk in the UK and Ireland will be the first to receive the certification, although the company will pursue options for a phased roll-out of the certification process across other Cadbury Dairy Milk varieties and other Cadbury businesses across the world. Cadbury Chief Executive, Todd Stitzer, says, "This is an historic moment for our company. I am proud that the nation's favourite chocolate bar will display the FAIRTRADE Mark. I was in Ghana last month and saw how vital it is that businesses support their partners and the communities they live in. We believe that by joining forces with the Fairtrade Foundation, we can further improve living standards and conditions for farmers and farming communities, and create a sustainable supply of high quality cocoa for Cadbury." "Cadbury's commitment is breakthrough news for the farmers in Ghana who are very excited that they will be able to sell more of their cocoa as Fairtrade, bringing greater benefits to their communities," says Harriet Lamb, Chief Executive of the UK Fairtrade Foundation. "We're delighted to have the opportunity to certify Cadbury Dairy Milk, enabling all those who buy it to make a real difference for cocoa farmers with every purchase. This certainly sets a new standard for the mainstream chocolate industry."

As a long-term supporter of sustainable cocoa farming, the move coincides with the 100th anniversary of Cadbury's first full crop from Ghana and marks the first anniversary of the Cadbury Cocoa Partnership. Through this initiative, Cadbury is investing roughly \$64 million USD over the next 10 years to help secure the economic, social and environmental sustainability of a million cocoa farmers and their communities in Ghana, India, Indonesia and the Caribbean.

Throughout the world, Cadbury has a heritage of ethical sourcing standards and the development of sustainable agriculture programs. Cadbury works with more than 40,000 suppliers around the world who are expected to adhere to the company's Ethical Sourcing Standards. The Green & Black's Maya Gold bar owned by Cadbury is already Fairtrade Certified.

In addition to sustainable sourcing efforts, Cadbury is focused on reducing its environmental impact. Through the Purple Goes Green initiative announced in July 2007, the company set targets to reduce carbon, water and packaging. By 2020, the company intends to make a 50% reduction in 'absolute' carbon emissions with a 10% reduction in packaging by 2010. The company has also introduced several new packaging innovations, including a new display case for products such as Trident Xtra Care, using 50% less cardboard.

Cadbury is also committed to brand values and community investment to support social welfare. In December 2008, Cadbury's Trident brand, the number one gum brand in the world, announced a three-year, \$1.5 million grant to Smiles Across America (SAA: 10.49, 0, 0%), the signature program of Oral Health America, to provide dental services and education to children in underserved communities nationwide.

For more information about all of Cadbury's corporate responsibility commitments, please visit <http://www.dearcadbury.com/>.

About Cadbury plc:

Cadbury plc is a leading global confectionery company with an outstanding portfolio of chocolate, gum and candy brands. It has number one or number two positions in over 20 of the world's 50 largest confectionery markets. Cadbury also has the largest and most broadly spread emerging markets business of any confectionery company. With origins stretching back nearly 200 years, Cadbury's brands include many global, regional and local favourites including Cadbury, Creme Egg, Flake and Green & Black's in chocolate; Trident, Clorets, Dentyne, Hollywood, Bubbalo and Stimorol in gum; and Halls, Cadbury Eclairs and The Natural Confectionery Company in candy. For more information visit www.cadbury.com

About Fairtrade:

The FAIRTRADE Mark is a certification mark and a registered trademark of Fairtrade Labelling Organisations International (FLO: 21.85, 0, 0%) of which the Fairtrade Foundation is the UK member. In the US, Transfair USA is the member for the United States of America., the use of the Fair Trade Certified(TM: 58.78, 0, 0%) label on products which meet the same international Fairtrade standards. Today, more than 7.5 million people - farmers, workers and their families - across 59 developing countries benefit from the international Fairtrade system.

Indonesia delays New Trade Rule opposed by Exporters; includes Crude Palm Oil, Cocoa, Coffee Exports

Source: Reuters

Jakarta, March 5 - Indonesia has delayed a new trade rule covering payment for exports by up to six months because of strong opposition from exporters, Trade Minister said on Thursday. The regulation would require exporters of key commodities to use letters of credit for export payments, and is one of several measures aimed at propping up the weak rupiah currency, by ensuring that export revenues are kept onshore.

Pangestu said implementation has been postponed from March 5 to April 1 for tin and crude palm oil, and to September 1 for rubber, cocoa and coffee. The trade ministry also amended the rule, saying that letters of credit were only needed for shipments worth more than \$1 million. "The delay is to allow more time for preparation," Pangestu told reporters, following a meeting with industry associations.

She said that despite the delay, exporters of key commodities are required to report details of their export activities to the ministry, including export payments methods, payment documents showing the date of payment, the name of banks receiving export payments, as well as the exporters' bank account numbers. The government regulation is meant to ensure that revenues from exports are transferred to onshore banks.

However, exporters have opposed it, saying buyers may buy elsewhere rather than pay for the commodities they purchase before shipments. "It is like telling people who have used fax to use telegram instead," said Daud Husni Bestari, chairman of Indonesian Rubber Producers Association.

Trade data released on Monday showed Indonesia's January exports fell a worse-than-expected 36 percent, the biggest annual decline in more than 22 years, as global demand for key commodities such as palm oil and rubber slumped.

Indonesia is one of the world's top producers of coffee, rubber, cocoa, tin, nickel and coal. Prices of most commodities have struggled to recover from their recent falls amid weak demand in the global slowdown. Currently, buyers can wait until they have received shipment documents to make payment.

Labour Issues

Environmental Issues

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Promotion

Others

Expired cocoa cans spark concerns

Fiji Daily Post

By NAISA KOROI

3-Mar-2009

THE Fiji Consumers Association is urging the authorities to increase monitoring of food labelling in local shops. The call comes after the Fiji Daily Post reported on Friday, February 27, that a supermarket in Lautoka was allegedly selling expired cocoa cans.

The association's secretary Paras Sukul told the Fiji Daily Post that authorities needed to take some urgent action and look at the issue seriously. Sukul said they were deeply concerned that businessmen were using bad tactics to get rid of old stock and make money.

"This is not healthy. The proper authorities should act now and do something so that such incidents do not recur," the spokesman for the non-government consumer rights group said.

"It seems these supermarkets are taking advantage of our volatile situation and these actions are just not good business.

"This must stop and the culprits should be investigated immediately," Sukul added.

A customer, Yogeshwan Pillay bought cocoa from the supermarket on Thursday and informed the Fiji Daily Post about his discovery. He said he bought a can because they were selling for 99 cents. However, when he looked closely at the item, he noticed the expiry date missing. He spoke to some staff working at the supermarket and he was told that the cans had already expired. But more astonishingly, he also found out that the expiry dates were deliberately erased. "I went ahead and checked all the cans and there were no expiry dates on all of them," a concerned Pillay said.

When the Fiji Daily Post contacted the supermarket they declined to comment. Director Health at Lautoka City Council, Rajendra Pratap said they would send field officers to investigate the matter and take the supermarket to task. The Fiji Daily Post has been unable to confirm whether this action has been taken.

Ivory Coast sets 3-month target for new cocoa reform body

By Ange Aboa

Mar 4, 2009

ABIDJAN (Reuters) - Ivory Coast has appointed a cocoa reform committee and given it three months to suggest plans for overhauling the economically vital but troubled sector in the world's biggest grower, the government said.

Cocoa brings in around 40 percent of the West African country's export earnings, but despite soaring world prices in the past five years, the Ivorian industry has been dogged since liberalisation in 2000 by corruption, administrative disorder and poorly-maintained plantations, analysts say. "The mission of the committee tasked with reforming the coffee and cocoa sector is to suggest to the government the direction of new reforms," according to a presidential decree signed on February 27 and published on Monday.

Key to the reforms will be plans to lower taxes in order to bring the revenue farmers receive for their crop into line with other cocoa producers, a condition of World Bank debt relief. In November the World Bank said Ivorian farmers get 35-40 percent of the international market price, while their counterparts in Ghana and Nigeria receive up to 70 percent. Two months earlier, the government replaced the sector's management bodies with a temporary committee to run the 2008/09 season, and pledged widespread reform.

The amount of cocoa available for export from Ivory Coast is much lower than at the same time last year, though farmers hope volumes will pick up later in the season. Cocoa futures for delivery in May traded at 1,740 pounds per tonne in London on Tuesday, almost unchanged from the start of the year, after taking support in part from worries about disruption and disease cutting into the Ivorian harvest.

The International Cocoa Organization widened its global cocoa deficit forecast on Tuesday to 193,000 tonnes in 2008/09, ascribed mainly to lower production .

TIT BITS

(Source: Business Recorder – www.brecorder.com)

US MIDDAY: cocoa and coffee down

NEW YORK (March 03, 2009): Arabica coffee futures continued lower in early trade Monday, while US cocoa tapped a three-month low before paring gains, with both commodities feeling pressure from a firm dollar, traders said. Arabica coffee for May delivery down 1.30 cent at \$1.1060 per lb by 9:14 am EST (1414 GMT). Range from \$1.1015 to \$1.1175. May volume 3,153 lots.

cocoa prices slide in London

LONDON (March 03, 2009): cocoa futures plunged on Monday, leading a retreat in soft commodity markets as the deepening global economic crisis heightened concerns about the outlook for demand, dealers said. Coffee and sugar also fell sharply as stock markets tumbled and the dollar strengthened.

Ivory Coast rains, sun support cocoa mid-crop

ABIDJAN (March 03, 2009): Abundant rains mixed with sunny spells last week in Ivory Coast's cocoa regions bode well for the development of the 2008/09 cocoa mid-crop which runs from April to September, farmers and analysts said on Monday. Arrivals at port of the main crop, which runs from October to March, have been well below last year's due to a combination of bad weather, disease and administrative chaos, but interest in the next stage of the season in the world's biggest grower was picking up.

London sugar, cocoa and coffee bounce

LONDON (March 04, 2009): Sugar, cocoa and arabica coffee futures bounced on Tuesday after a rout across the complex on Monday, but dealers said they were very nervous about prospects for demand due to the economic crisis. "We've seen modest recoveries from yesterday's sell-off, but the market does not appear to be out of the woods," said James Kirkup, senior sugar broker with Fortis Commodity Derivatives.

US MIDDAY: cocoa and coffee bounce

NEW YORK (March 04, 2009): US cocoa futures rose 2 percent in early trade Tuesday, while arabica coffee also moved higher with both markets partially retracing Monday's steep fall to three-month lows, traders said. Arabica coffee for May delivery up 0.75 cent at \$1.0645 per lb by 9:08 am EST (1408 GMT).

Sugar, coffee and cocoa climbs

LONDON (March 05, 2009): Sugar futures rallied on investor and trade buying on Wednesday, and coffee and cocoa also rose, swept higher by a broad-based advance across commodity markets, dealers said. "The (Reuters Jefferies) CRB index is having a better day. Sugar is clawing back from oversold positions," one sugar dealer said, referring to the sell-off across financial and commodity markets on Monday.

Ethical food label expands despite woes

LONDON (March 05, 2009): Consumption of products such as cocoa, coffee and bananas under the ethical Fair-trade label is continuing to rise strongly despite the economic downturn, the head of the Fairtrade Foundation told Reuters. "We feel very keenly that the farmers need Fairtrade now more than ever. If times are tough for people here in Britain, they are pretty desperate for farmers and workers in developing countries," said Fairtrade chief executive Harriet Lamb.

US MIDDAY: coffee and cocoa rise

NEW YORK (March 05, 2009): US arabica coffee futures rose 1 percent in early trade Wednesday, while cocoa was largely unchanged as retracement continued after both markets tumbled to three-month lows early this week, traders said. Arabica coffee for May delivery up 1.30 cents at \$1.0780 per lb by 8:52 am EST (1352 GMT). Range from \$1.0675 to \$1.0810.

Ivorian cocoa farmgate prices extend losses

ABIDJAN (March 05, 2009): cocoa farmgate prices in Ivory Coast extended losses last week, dragged down by poor quality and low prices at ports, exporters and farmers said on Wednesday. Low bean quality and small deliveries of cocoa for export have blighted the 2008/09 season in the world's biggest grower, but late January's trend of shippers rushing to buy beans has stalled, and farmers are optimistic that the April-September mid crop will be larger than normal.